

BERRY PETROLEUM CO
Form 10-Q
August 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2009
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ___ to ___
Commission file number 1-9735

BERRY PETROLEUM COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE
(State of incorporation or organization)

77-0079387
(I.R.S. Employer Identification Number)

1999 Broadway, Suite 3700
Denver, Colorado 80202
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (303) 999-4400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

As of July 20, 2009, the registrant had 42,826,373 shares of Class A Common Stock (\$.01 par value) outstanding. The registrant also had 1,797,784 shares of Class B Stock (\$.01 par value) outstanding on July 20, 2009 all of which is held by an affiliate of the registrant.

BERRY PETROLEUM COMPANY
SECOND QUARTER 2009 FORM 10-Q
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BERRY PETROLEUM COMPANY
 Unaudited Condensed Balance Sheets
 (In Thousands, Except Share Information)

	June 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 236	\$ 240
Short-term investments	67	66
Accounts receivable, net of allowance for doubtful accounts of \$38,511 and \$38,511	65,854	65,873
Deferred income taxes	428	-
Fair value of derivatives	35,453	111,886
Crude oil inventory	2,794	-
Prepaid expenses and other	8,046	11,015
Total current assets	112,878	189,080
Oil and gas properties (successful efforts basis), buildings and equipment, net	2,096,966	2,254,425
Fair value of derivatives	3,614	79,696
Other assets	32,888	19,182
	\$ 2,246,346	\$ 2,542,383
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 42,606	\$ 119,221
Revenue and royalties payable	12,291	34,416
Accrued liabilities	26,084	34,566
Line of credit	-	25,300
Income taxes payable	-	187
Fair value of derivatives	34,235	1,445
Deferred income taxes	222	45,490
Total current liabilities	115,438	260,625
Long-term liabilities:		
Deferred income taxes	243,537	270,323
Senior secured revolving credit facility	580,900	931,800
8 ¼ % Senior subordinated notes due 2016	200,000	200,000
10 ¼ % Senior notes due 2014, net of unamortized discount of \$20,707 and \$0, respectively	304,293	-
Abandonment obligation	40,986	41,967
Other long-term liabilities	4,789	5,921
Fair value of derivatives	40,462	4,203
Total long-term liabilities	1,414,967	1,454,214
Shareholders' equity:		
Preferred stock, \$.01 par value, 2,000,000 shares authorized; no shares outstanding	-	-
Capital stock, \$.01 par value:		
Class A Common Stock, 100,000,000 shares authorized; 42,826,373 shares issued and outstanding (42,782,365 in 2008)	427	427
Class B Stock, 3,000,000 shares authorized; 1,797,784 shares issued and outstanding in 2009 and 2008 (liquidation preference of \$899)	18	18

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Capital in excess of par value	84,786	79,653
Accumulated other comprehensive (loss) income	(18,227)	113,697
Retained earnings	648,937	633,749
Total shareholders' equity	715,941	827,544
	\$ 2,246,346	\$ 2,542,383

The accompanying notes are an integral part of these financial statements.

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BERRY PETROLEUM COMPANY
 Unaudited Condensed Statements of Operations
 Three Months Ended June 30, 2009 and 2008
 (In Thousands, Except Per Share Data)

	Three months ended June 30,	
	2009	2008
REVENUES AND OTHER INCOME ITEMS		
Sales of oil and gas	\$ 118,793	\$ 169,022
Sales of electricity	6,624	16,979
Gas marketing	4,848	11,531
Loss on derivatives	(31,130)	(20)
Gain on sale of assets	-	414
Interest and other income, net	806	934
	99,941	198,860
EXPENSES		
Operating costs - oil and gas production	34,738	52,332
Operating costs - electricity generation	6,397	15,515
Production taxes	4,885	6,568
Depreciation, depletion & amortization - oil and gas production	34,371	25,902